

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Capitol Preservation Board

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1.0 Summary: Capitol Preservation Board

The Capitol Preservation Board manages all functions associated with Capitol Hill facilities and grounds. This includes maintenance, furnishings, occupancy, public usage and long range master planning.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
General Fund	2,165,400		2,165,400
Dedicated Credits Revenue	228,300		228,300
Transfers	104,000		104,000
Beginning Nonlapsing	37,400		37,400
Total	\$2,535,100	\$0	\$2,535,100
Programs			
Capitol Preservation Board	2,535,100		2,535,100
Total	\$2,535,100	\$0	\$2,535,100
FTE/Other			
Total FTE	3		3

2.0 Issues:

2.1 Capitol Preservation Board Membership

The Capitol Preservation Board was created to manage the day to day operations of Capitol Hill facilities and to plan for future remodeling of the Capitol Building. The Board is a joint effort of all three branches of government and the private sector. Utah Code (63C-9-201) provides the following membership:

Legislative Branch	Senate (3 Members) President, Minority Member, Majority Member	House of Representatives (3 Members) Speaker, Minority Member, Majority Member
Executive Branch	Elected Officials (2) Governor and Lt. Governor	Executive Branch Employees (2) Archives Director and Exec. Branch Appointee
Judicial Branch	Chief Justice of the Supreme Court	
Private Citizens*	Professional Appointees (2) Private Sector Architect and Engineer	At-Large Appointees (2) Two Appointees

**Private citizens are appointed by the Governor and confirmed by the Senate*

2.2 Management of Capitol Hill

The first duty of the Capitol Preservation Board is to manage the day to day operations of Capitol Hill, including the State Office Building, the DUP Museum, the Travel Council Building, the Greenhouse and the White Chapel. Grounds maintenance and facility management are provided through a contract with the State Division of Facilities Construction and Management (DFCM). As part of statewide budget reductions, the CPB Executive Director negotiated reduced services with DFCM. This includes a lower level of lawn care in the summer and a reduction of maintenance staff in preparation for the remodeling project. Rates charged by DFCM remain unchanged for FY 2005.

The Board further reduced General Fund costs by charging time of employees to the expansion wing construction budget. This arrangement is similar to the method for funding DFCM where time is directly tied to staff work on the project. The Analyst recommends continuation of this system through FY 2005 but recognizes that in the future a restoration of cut funds may be necessary.

2.3 Capitol Remodel

Expansion Buildings offer best value

The second duty of the Board is to manage the restoration of the State Capitol. As part of this effort, the Board designated the Executive Director as the Architect of the Capitol. This immediately saved several hundred thousand dollars in fees and gave the Board a more effective tool to ensure that the state receives the best value for the restoration project. It also allowed for part of the construction budget to fund administrative operations conducted by the Executive Director, freeing up General Fund for other state needs.

The first phase of the restoration is nearing completion point as the parking structure opens and final finishes are put in each wing. The project is on schedule and under budget. The expansion buildings were originally approved as the best value for the state rather than the lowest cost alternative for the restoration project. The most inexpensive means to obtain space during the restoration called for all employees and the Legislature to be moved to leased space in Salt Lake City at a cost that ranged from \$27 million to \$36 million. The Legislature chose instead to add the two new buildings for an incremental cost of between \$4 million and \$14 million. In effect, the State is gaining \$40 million of value for approximately a quarter of that amount.

As the expansion space nears completion, the Board is moving forward with planning and design for the new heat plant and the total restoration of the building. Over the past year testing revealed more asbestos than expected, weaker than anticipated concrete in the dome and interior elements (i.e., rosettes, railings, and balustrades) that are not properly held in place. Although the state's budget is not as robust as it was when the project began the project is still a critical state need. Initial estimates for Capitol Restoration prior to creation of the Board reached to \$450 million without adding any new space. The Board's diligent work will bring the project in for approximately \$250 million and will make Capitol Hill more accessible for the public. A complete discussion of construction options and a recommendation can be found in the Capital Budget Recommendation behind Tab 23.

3.0 Programs

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	2,202,000	2,165,400	2,165,400	
General Fund, One-time		600		(600)
Dedicated Credits Revenue	269,300	228,000	228,300	300
Transfers	121,000	104,000	104,000	
Beginning Nonlapsing	21,300	37,400	37,400	
Closing Nonlapsing	(37,400)			
Total	\$2,576,200	\$2,535,400	\$2,535,100	(\$300)
Expenditures				
Personal Services	162,100	166,100	166,100	
Total	\$2,576,200	\$2,535,400	\$2,535,100	(\$300)
FTE/Other				
Total FTE	2	3	3	0

*Non-state funds as estimated by agency

3.1 Non-lapsing Balances

As part of the Capitol Restoration project, the Analyst recommends that the Capitol Preservation Board be allowed to use carry-forward funds to offset costs associated with the project.

It is the intent of the Legislature that funds for the Capitol Preservation Board shall not lapse and that those funds shall be used for the design and construction costs associated with Capitol restoration.

4.0 Additional Information: Capitol Preservation Board

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	2,257,100	2,525,600	2,202,000	2,165,400	2,165,400
General Fund, One-time				600	
Dedicated Credits Revenue	247,500	260,300	269,300	228,000	228,300
Transfers			121,000	104,000	104,000
Beginning Nonlapsing			21,300	37,400	37,400
Closing Nonlapsing		(15,400)	(37,400)		
Total	\$2,504,600	\$2,770,500	\$2,576,200	\$2,535,400	\$2,535,100
Programs					
Capitol Preservation Board	2,504,600	2,770,500	2,576,200	2,535,400	2,535,100
Total	\$2,504,600	\$2,770,500	\$2,576,200	\$2,535,400	\$2,535,100
Expenditures					
Personal Services	152,000	159,300	162,100	166,100	166,100
In-State Travel	100	800	200	200	200
Current Expense	2,348,100	2,601,600	2,406,400	2,361,600	2,356,100
DP Current Expense	4,400	8,800	7,500	7,500	12,700
Total	\$2,504,600	\$2,770,500	\$2,576,200	\$2,535,400	\$2,535,100
FTE/Other					
Total FTE	2	2	2	3	3

*Non-state funds as estimated by agency.